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Russian Federation: Executive Branch

By Susan Cavan

Russia hews its own path, but where does it lead?

Putin's Georgian venture, which resulted in the occupation of sovereign Georgian territory by Russian forces, marked a watershed in relations between Russia and the rest of the world. Many western state leaders and analysts have noted the sea change, as has the Putin-Medvedev leadership and Russian analysts as well. The critical question is just what watershed has been marked. Is this the beginning of a neo-Cold War, as Russia reasserts itself militarily? Has the West been "unblinkered" from its hopes for partnership with a post-Soviet Russia? Or has Russia, rather than demonstrating strength and assertiveness, actually highlighted its weaknesses with false bravado?

The start of military actions remains a serious bone of contention, with new information surfacing from Georgian cell phone intercepts about Russian troop movements. (1) However, the question of the onset of hostilities, whether Russia planned an invasion of Georgia through South Ossetia, or whether Georgia responded to provocations as it set about to "restore constitutional order" in South Ossetia is less relevant than the aftermath – both the situation on the ground in Georgia and the repercussions across the region and throughout the international community.

Whatever the igniting spark, the actions of Russia's forces, moving into Georgia, occupying Georgian cities, attacking Georgian armed forces, forcing Georgian citizens to flee regions never previously in dispute, emphasize an aggressive Russian display of military superiority in a region it has attempted to have recognized as an area of its "sphere of influence." The pitiful ceasefire

negotiations, during which the Russian president repeatedly gave his word and signature to agreements that were then blatantly ignored, mark the denouement of Russian interaction with the west.

Since the fall of the Soviet Union, Russia has struggled to find its place in the international community. Arguments about how integration could have proceeded or the pace at which Russian political and military engagement with international institutions eventually did proceed aside, for years now Russia has had a strong voice, if not membership, in key international, cooperative economic, political, and military institutions. And yet, when a crisis hits at its doorstep, all pretense of international engagement is set aside. The Russian leadership's decisions regarding South Ossetia and the rest of Georgia clearly sidestepped every institution to which it had access, in order to promote a military and political agenda very much of its own making.

On August 26, Russian President Medvedev recognized "the independence of South Ossetia and Abkhazia on behalf of the Russian Federation." In his statement, Medvedev claimed the mantle of international law, as well as "the UN Charter and OSCE documents." (2) Thus far, only Nicaragua has followed Russia's lead. (3) In a follow-up to formal recognition, on 17 September Medvedev signed treaties of "friendship, cooperation, and mutual assistance" with Abkhazia and South Ossetia.

In his comments on the treaties, Medvedev reiterated—and augmented—his justifications for the recognition of the disputed regions of Georgia: "I signed these decrees [recognizing Abkhazia and South Ossetia] guided above all by the provisions of the United Nations Charter, the 1970 Declaration on Principles of International Law concerning Friendly Relations between States, and the 1975 Helsinki Final Act of the Conference on Security and Cooperation in Europe." (4) Again, the impulse to cite international standards seems to come late to Russia's leadership, which appears to be setting out its own policy of pre-emptive action –

one that permissively allows not only Russian use of force without any constraints, but an interpretative permissiveness of international norms.

What presents the greatest concern, aside from the obvious existential considerations for Georgia and other former Soviet states that Russia might wish to claim within "its sphere," is the straight-faced façade with which Russia's leaders attempt to conduct this farce.

In his comments during a question and answer session with participants in the 2008 Valdai Conference, President Medvedev noted Russia's dissatisfaction with the post-Cold War world: "I think that we need to do everything within our power today to build a different security architecture. The Russian Federation, in any case, is not happy with the current system." (5) Indeed, Medvedev reiterated a familiar theme of needing to move from a unipolar world to a multipolar world system. However, in the wake of Russian actions, more specifically the Russian leadership's decision not to engage the international community in its concern for the welfare of its citizens in South Ossetia, President Medvedev's call for a new system appear rather hypocritical: "What kind of security system do we need? At the minimum it should be a system that complies fully with international law, not with the right of the strongest, but with international law. The efforts made throughout the twentieth century have not been in vain. Really, humanity spent the entire twentieth century creating the modern system of international law. We need to keep these laws alive in the twenty-first century." (6) What rationale has Russia given its international partners to work together in order to create another international institution, which Russia may well simply ignore when a critical moment arrives?

Given the egregiously faithless behavior of Russia during the continuing Georgian crisis: the repeated presidential word and signature given to ceasefire agreements, but ignored in their implementation, the exploitation of the casualties in the hostilities, whose genuine suffering is distorted by the Russian media (6),

to the pointless military excursions, including those to Venezuela and Cuba (See Armed Forces below) that seem designed to imitate, albeit palely, Soviet confrontational postures, Russia has built itself a formidable impediment to overcome in ever convincing its fellow members in the United Nations, G-8, OSCE, or even the Shanghai Cooperation Organization (See Central Asia below) that it is indeed a reliable partner, rather than a babbling bully.

Source Notes:

(1) Georgia Offers Fresh Evidence on War's Start, BY C.J. Chivers, New York Times, 16 Sep 08 via

<http://www.nytimes.com/2008/09/16/world/europe/16georgia.html>.

(2) Russia recognizes South Ossetia and Abkhazia to save people's lives, 26 Aug 08, Pravda.ru via http://english.pravda.ru/russia/kremlin/26-08-2008/106214-russia_ossetia_abkhazia-0.

(3) South Ossetia recognition watch: Nicaragua stands alone, 5 Sep 08 Foreign Policy blog (a blog by the editors of Foreign Policy) via <http://blog.foreignpolicy.com/node/9723>. Belarus, Cuba, and Venezuela are said to be considering the move to recognize South Ossetia and Abkhazia, but evidently are not yet ready to commit to it.

(4) Statement following Signing of the Treaties on Friendship, Cooperation and Mutual Assistance with the Republics of Abkhazia and South Ossetia, President Dmitri Medvedev, 17 Sep 08 via

http://www.kremlin.ru/eng/text/speeches/2008/09/17/1948_type82912type82914type82915_206565.shtml.

(5) Transcript of the Meeting with the Participants in the International Club Valdai, 12 Sep 08, Kremlin.ru via Johnson's Russia List, 2008-#168, 15 Sep 08.

(6) Recent reports suggest that an even greater media chill is in the air as Russia's leaders, notably Prime Minister Putin, have made clear to certain media outlets that their coverage of the conflict in Georgian was not sufficiently "correct." See, for example, The Washington Post, "In Wake of Georgian War,

Russian Media Feel Heat," by Philip Pan, 15 Sep 08, p. A14 via
washingtonpost.com.

Russian Federation: Domestic Issues and Legislative Branch

By Rose Monacelli

Declining foreign investor confidence in Russia's economy

Russia recently faced its clearest indication thus far that the oil and gas-fueled energy boom that had been the foundation of its resurgent economy was coming to an end. Since peaking last May, the RTS stock market index has fallen by 49 percent, its lowest level in over a year, which translates to a loss of over \$750 billion for Russian businesses. (1) Similarly, the ruble dropped six percent from record levels set in early August. (2)

In recent weeks, oil prices have plunged from \$147 per barrel to around the \$100 level mark, drastically reducing Russia's profits and minimizing its options. As a result, Russia's estimated federal revenue growth in 2009 is expected to be around 1.8 percent, down from 13.8 percent in 2008. (3)

One major reason for the recent economic downturn is the lack of international confidence in Russia. A significant factor in this loss of confidence is Moscow's deployment of troops into Georgia last month and its unwillingness to honor the terms of its ceasefire agreements. There is a growing perception that the Russian leadership has become unpredictable, causing nervous investors to pull out of the country. A lack of foreign confidence, as reflected by the decline in international investment, translates into less Russian oil being exported and therefore less revenue flowing into the country. In the past three weeks alone, over \$25 billion has been withdrawn. (4) In response to the political situation and

this economic pressure, Russia has removed itself from negotiations to join the World Trade Organization, remaining the world's largest economy that is not a member. (5)

Russian actions in the ongoing conflict with Georgia are but one element of a wider pattern of government intrusion that has been eroding Russia's reputation among foreign investors for decades. Although the government often speaks of economic reform, Kremlin policies and official rules and regulations remain bureaucratic, complex, and effectively corrupt, making it confusing for outsiders, but easy for those who know the system to manipulate it.

In the past, Russia's vast natural energy resources have encouraged foreign investors to overlook these issues, but there is no guarantee that this trend will continue as the investment climate becomes less and less hospitable. In the past year, potential investors have witnessed not only Russia's haste to respond violently to alleged Georgian aggression, but also a propensity for attacking its own firms. Last July, Prime Minister Putin caused the value of privately-owned Russian mining firm Mechel's stock to fall 38% in one day after he indicated that the Russian Anti-Monopoly Service should pay special attention to Mechel's domestic pricing. (6) Igor Zyuzin, Mechel's CEO and major shareholder, had no way to refute Putin's claims, and most likely had no interest in doing so, as the Russian government has unpleasant ways of "reigning in" dissenting businessmen.

Perhaps the most high profile warning against foreign investment is the dispute between TNK-BP partner firms Alpha-Access Renova (AAR), a business conglomerate run by a quartet of Russian oligarchs, and British Petroleum (BP). When TNK-BP was created in November 2003, the six billion dollar joint venture united each company's already-extensive holdings in the region, resulting in the third largest oil company in Russia in both volume of reserves, which at the time was approximately 9.5 billion barrels, and annual oil production. (7)

The most unique aspect of TNK-BP was that it remained privately-owned and run, no small feat in an era when the Russian government had managed to minimize foreign investment power by retaining at least part-ownership of most of the large firms responsible for processing and distributing its natural resources.

After the Kremlin pressured the Anglo-Dutch Shell Oil Company into selling majority control of its operations to state-run Gazprom in December 2006, TNK-BP was left as the only major foreign-owned company in Russia. This distinction, along with the fact that a contract-mandated five-year moratorium on the sale of TNK-BP shares to outside parties expired on 1 January 2008, has led both parties to believe that each is working with the Russian government to force the other out. BP, in particular, fueled suspicion by starting talks with Gazprom on a number of joint projects immediately after the ban was lifted. (8)

Throughout the dispute between AAR and BP, Deputy Prime Minister Igor Sechin (who also heads the oil firm Rosneft) pledged that the Russian government would not become involved in a dispute with a privately owned firm. However, this pledge did not prevent TNK-BP's offices from being raided several times by Kremlin security agents in June, after which TNK-BP's American CEO Robert Dudley was questioned about business practices by Interior Ministry prosecutors in Moscow for over five hours. (9) Soon after, several BP executives, including Dudley, discovered that their requests for work permit extensions had been denied on the basis of a lack of valid work contracts, forcing them to leave Russia at the end of July. (10) BP labeled this incident as another attempt by AAR to manipulate the Russian state bureaucracy, in order to create a situation in which TNK-BP could be sold to either Gazprom or Rosneft, placing it under Russian state control.

Two weeks ago, BP and AAR negotiated a deal in which Dudley agreed to resign before the end of the year. A director approved by TNK-BP's board of directors,

which has been restructured to include four members from AAR, four from BP, and three “independent” seats, will replace him in 2009. There is no word yet on how the independent board members will be selected. In exchange, BP will retain its position as a secure partner in the venture, as well as its access to Russian oil, an outcome considered positive by analysts who had assumed that the company would lose everything to a state-orchestrated takeover. (11) Even though BP’s role has been marginalized, government representatives continue to maintain that the agreement between the two partners was reached without any state involvement.

Despite Russia’s value as an energy producer, the Kremlin’s behavior of late, including ignoring long-standing contracts, raising prices in favor of state protectionism, and ignoring the rule of law, may discourage potential investors. President Medvedev insists that the current economic situation could be turned around “if the right decisions are made” (12). However, just what these “right decisions” might be, remains to be seen.

Source Notes:

(1) Charles Clover, Catherine Belton and Rachel Morajee, “Medvedev and \$10bn injection fail to stem fall in Russia's stocks,” Financial Times, 11 Sep 08 via <http://www.ft.com/cms/s/0/bebeb5b6-7f99-11dd-a3da-000077b07658.html>. Last accessed 14 Sep 08.

(2) Andrew E. Kramer, “Russia stock market fall is said to imperil oil boom,” New York Times, 13 Sep 08 via <http://www.nytimes.com/2008/09/13/business/worldbusiness/13russia.html?ref=europe>. Last accessed 14 Sep 08.

(3) Kramer, “Russia stock market fall is said to imperil oil boom,” *ibid*.

(4) Alexei Bayer, “What foreign investors fear the most,” The Moscow Times, 12 Sep 08 via <http://www.moscowtimes.ru/article/1016/42/370890.htm>. Last accessed 14 Sep 08.

- (5) Andrew E. Kramer, "BP makes deep concessions in agreement with Russian partner," New York Times, 5 Sep 08 via <http://www.nytimes.com/2008/09/05/business/worldbusiness/05venture.html?ref=business>. Last accessed 14 Sep 08.
- (6) Domenic J. Strazzulla, "Mechel: Putin's remarks create an opportunity for an attractive volatility play," Seeking Alpha, 25 Jul 08 via <http://seekingalpha.com/article/87069-mechel-putins-remarks-create-opportunity-for-an-attractive-volatility-play>. Last accessed 14 Sep 08.
- (7) "Alfa Grp, Access/Renova and BP to create new company," Pravda, 02 Nov 03 via <http://english.pravda.ru/comp/2003/02/11/43257.html>. Last accessed 30 Jul 08.
- (8) Anil Dawar, "Russia supported Litvinenko murder, says security official," The Guardian, 8 Jul 08 via <http://www.guardian.co.uk/world/2008/jul/08/russia.foreignpolicy>. Last accessed 30 Jul 08.
- (9) Luke Harding, "Russian head of British Council group arrested," The Guardian, 21 Mar 08 via <http://www.guardian.co.uk/world/2008/mar/21/russia.foreignpolicy>. Last accessed 31 Aug 08.
- (10) "Boss of BP Russia venture leaves," BBC News, 24 Jul 08 via <http://news.bbc.co.uk/go/pr/fr/-/1/hi/business/7524153.stm>. Last accessed 30 Jul 08.
- (11) Kramer, "BP makes deep concessions in agreement with Russian partner," *ibid*.
- (12) Clover, Belton, Morajee, *ibid*.

Russian Federation: Armed Forces

By Lt. Col. Erik Rundquist

Russian military power projection: The pace quickens

On 24 August, the USS McFaul, an Arleigh Burke-class guided missile destroyer, pulled into the port of Batumi, Georgia and delivered over 150,000 pounds of humanitarian relief supplies in response to the recent regional conflict. (1) The Russian Foreign Ministry claimed that it viewed this and subsequent US naval activity in the Black Sea with a great deal of suspicion. A Kremlin spokesman questioned the dual role of another vessel, the USS Mount Whitney, a highly sophisticated command and control warship, off-loading humanitarian supplies near the port of Poti. (2) The port's military side suffered heavy damage where Russian soldiers stripped and looted everything from armchairs to toilets. In addition, eight Georgian naval vessels were sunk in the harbor, including the Georgian flagship and missile boat Dioskuria. (3)

One of the first post-conflict casualties was the cancellation (after the US and UK threatened boycotts) of the annual FRUKUS (France-Russia-United Kingdom-United States) combined naval exercise. This exercise was scheduled for August 2008 and was to involve at least four ships and around 1,000 military personnel. Typically, these exercises focus on training scenarios on land and at sea and historically have acted as a tool to promote dialog between the international military forces concerned. (4)

Prime Minister Vladimir Putin warned of unspecified actions in response to the US aid shipments. On 8 September, Russia publicly announced it would deploy a naval task force to the Caribbean Sea, in order to conduct training exercises with the Venezuelan military. The exercise is slated to involve the missile cruiser Peter the Great, at least three other Russian ships, and several long range anti-submarine aircraft to be based at a Venezuelan airfield. (5) Captain 1st Rank Igor Dygalo noted this combined force exercise would focus on, "...maneuvering, search-and-rescue, and communications." (6) While on the surface it appears the timing of this exercise is in direct response to the US naval activity in the Black Sea, it is likely this international exercise was coordinated and planned well before the Russian incursion into Georgia. However, it also is likely the timing of

Russia's announcement of this exercise is both calculated and directly aimed at meeting Putin's attempt to project Russian military power.

The Russian military also has increased its pace of power projection in the air. For instance, NATO fighter squadrons in Norway conducted 13 emergency sorties to meet "visiting" Russian bombers in 2006; this number more than tripled to 47 responses in 2007. Russian flights continue, and Norwegian Air Force officials report that its fighter interceptor launches to "shadow" Russian bombers in international airspace do not show any signs of slowing down. (7)

Additionally, the Russian Air Force landed two TU-160 "White Swan" (NATO reporting name "Blackjack") bombers in Venezuela on 10 September 2008. This deployment, under the auspices of a training and maneuver exercise, represents the first time Russian strategic bombers have landed in the Western Hemisphere since the end of the Cold War. (8) Similar discussions and reports have been circulating for the last few months on Russian aircraft using airfields in Cuba for transient bombers to refuel and conduct operations in the region. (9) Again, the timing, announcement, and actual deployment to Venezuela clearly is calculated to project Russia's power in the US "backyard."

Not to be outdone by his Navy and Air Force counterparts, Russian Strategic Missile Forces Commander Colonel General Nikolai Solovtsov reiterated recently that Russia possesses superior missiles to take on the planned US missile defense sites in Eastern Europe. Colonel General Solovtsov added that Russia's intercontinental ballistic missiles, specifically its Topol-Ms, could change their launch configurations easily to target and overwhelm the US missile defense system's interceptor missiles destined for Poland and its accompanying radar system slated for the Czech Republic. (10)

Within the context of this saber-rattling, recent hints that Russia might work actively to hamper on-going combat operations in Afghanistan suggest an

escalation of confrontational posturing, as Russia attempts to blunt NATO's ability to project military power. Speaking at NATO headquarters in Brussels, Dmitri Rogozin remarked at a press conference, "Future cooperation [in Afghanistan] will depend on the alliance's position in the Caucasus crisis." (11) With NATO operating in the land-locked country of Afghanistan, issues such as Russian cooperation for overflight and overland (truck or rail) transport are important to support its fielded forces.

Prime Minister Putin's reference to a response to US humanitarian operations in Georgia and incursions in the "near abroad" have been attempts to project Russia's military might. The key question that arises from Putin's response is whether Russia will be able to maintain its increased military operational tempo or even augment its pace.

Source Notes:

- (1) "USS McFaul Brings Aid to Batumi, Georgia," US 6th Fleet Public Affairs, 24 Aug 08 via http://www.navy.mil/search/print.asp?story_id=39317.
- (2) "Russian FM raises doubts about purpose of US warship's visit to Black Sea," ITAR-TASS, 06 Sep 08 via <http://www.itar-tass.com/eng/level2.html?NewsID=13045318>.
- (3) "U.S. Navy ship anchors outside Georgia," Associated Press, 05 Sep 08 via <http://www.msnbc.msn.com/id/26562617>.
- (4) "Russia-NATO naval drill called off after U.S., U.K. boycott," RIA Novosti, 14 Aug 08 via <http://en.rian.ru/russia/20080814/116034048-print.html>.
- (5) "Russia to send naval squadron, planes to Venezuela," Vladimir Isachenkov [Associated Press], 08 Sep 08 via <http://www.chron.com/disp/story.mpl/ap/world/5989652.html>.
- (6) "Russia says its Navy ready to thwart any threat to security," RIA Novosti, 09 Sep 08 via <http://en.rian.ru/russia/20080909/116641317-print.html>.
- (7) "Russian bombers fly in Europe's far north," Pierre-Henry Deshayes [Agence France Presse], 01 Sep 08 via

http://www.newsmax.com/international/nato_russia_norway/2008/09/02/126927.html.

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(9) "Russia Mulls regular Bomber Flights to Cuba: Report," Agence France-Presse, 21 Jul 08 via <http://www.defensenews.com/story.php?i=3636724>.

(10) "Russia could target missiles at sites in Central Europe," RIA Novosti, 10 Sep 08 via <http://en.rian.ru/russia/20080910/116678626-print.html>.

(11) "Russia may suspend support for NATO operations in Afghanistan," RIA Novosti, 04 Sep 08 via <http://en.rian.ru/russia/20080904/116542151-print.html>.

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Russian Federation: Foreign Relations

By Fabian Adami

FSB & Georgia

In the weeks following the Russian invasion of Georgia, it has become clear that the FSB had significant involvement in the conflict, on a multitude of levels.

On 20 August, FSB Director Aleksandr Bortnikov met with President Dmitri Medvedev. The purpose of the meeting, coming just days after the outbreak of hostilities, reportedly was to inform the president that the FSB had smashed a significant Georgian espionage operation in Russia. According to Bortnikov, the FSB arrested some 20 individuals who had been conducting "active" operations against the Russian military. Bortnikov claimed that Georgian operatives had been "reconnoitering military facilities and preparing acts of terror," which they

were aiming to carry out on the “territory of the Russian Federation, ” as well as in South Ossetia. (1) At the time of writing, only one of the men arrested has been named. Described simply as a “senior officer,” Mikhail Khachidze (2) is an ethnic Georgian serving in the Russian army, who allegedly was collecting “secret information,” including combat readiness reports and personnel information on units stationed in the North Caucasus. (3) Khachidze is to be charged with High Treason under Clause 275 of Russian military law, (4) and will face trial once the investigation into his activities is completed.

Addressing the heads of regional anti-terror committees at a meeting in Nizhny Novgorod, FSB Director Bortnikov claimed that Al Qaeda, as well as other extremist groups had attempted to take advantage of the situation in the secessionist areas to carry out anti-Russian action in Dagestan, Ingushetia and Chechnya, and that this was prevented only by timely action from Russian Security Agencies. (5) Bortnikov alleged that some of these groups had attempted, and could continue to attempt, to penetrate the Russian Federation through the secessionist regions of Georgia. (6)

The latter part of Bortnikov’s statement in this instance was very interesting. The FSB Director claimed that Russia was fighting against the “evil” of international terrorism in South Ossetia, something that “concerns humankind all over the world.” (7) Taken together, the comments outlined above demonstrate what Russia’s tactics are in the current situation.

First, the implication is that Russia believed that a Georgian attack was imminent, and therefore acted preemptively, and defensively. Secondly, Bortnikov’s comments constitute an attempt to link the conflict to the Global War on Terrorism. Clearly, Russia’s leaders hope that these ex-post-facto “justifications” of its actions will immunize the Kremlin from Western criticism. Look—so the cry is—we are just like you!

Addendum

FSB Special Forces were involved in the incursions into South Ossetia, Abkhazia, and Georgia proper. According to Colonel-General Yevgeni Lovyrev, a number of officers have been decorated for “courage and heroism,” while contributing to the “successful conduct of the operation to compel the aggressor to peace.” (8) Although their precise roles likely will remain secret for a long time, it is safe to assume that their duties included demolition, sabotage, advanced reconnaissance, etc. Whilst the agency has not been mentioned in the Russian press, it is also safe to assume that GRU special operations units were involved in some way in the incursions.

Weapons to Syria?

Late in August, Foreign Minister Sergei Lavrov and President Dmitri Medvedev met with Syrian President Bashar al-Assad at the presidential residence in Sochi. The purpose of the talks was primarily to discuss the possibility of a new arms deal between the two countries.

Speaking to the press on the fringes of the meeting, Lavrov stated that Russia would “consider” Syria’s weapons requirements, and attempted to pre-empt any concerns that might arise in the United States or Israel about the deal by insisting that Russia would sell only “defensive” weapons to Damascus, so as not to “upset the balance of forces in the region.” (9)

Precisely what weapons Syria covets is unclear, but it is safe to assume, in light of recent Israeli air-strikes, that Surface to Air Missiles (reportedly BUK M1 & Pantsyr S1), as well as anti-tank weapons are on Damascus’ wish list. (10)

A week after the Presidents had met, Igor Belyaev, charge d’affaires in Damascus, noted that the Russian Navy will be making increased use of Tartus and other Syrian ports in the Mediterranean, in an attempt to heighten Russia’s presence in that region. (11) At this stage, it is unclear whether berthing facilities

for the navy constitute part payment for weapons or not, but the deal is yet another indication that Russia's desire to show its military machismo through fleet sorties, bomber sorties and the like remains undiminished. That the quality of hardware on display clearly is second-rate is not Moscow's concern. What matters is the symbolism of a reassertive Russia.

Coddling Turkey?

Early in September, Foreign Minister Sergei Lavrov paid a one-day visit to Istanbul to meet Ali Babacan, his Turkish counterpart. The goal of the visit was primarily to clear the air. The two countries have been engaged in a "customs dispute" over the last month that has resulted in billions of dollars in Turkish goods languishing in trucks along the border. (12)

Allegations have been aired that the dispute was the result of Turkey's pro-Georgian stance in the recent conflict, and most pointedly, of Istanbul's decision to allow US warships carrying humanitarian supplies to transit the Bosphorus. (13)

In a press conference with Babacan, Lavrov was at pains to deny this allegation. Lavrov claimed that Russia was "not discriminating" against Turkey, and that Istanbul's prior recognition of Kosovo's independence (directly linked to the conflicts of South Ossetia and Abkhazia in Moscow's rhetoric) "had no effect on bilateral and regional cooperation" between the neighbors. Nor, apparently, does Turkey's NATO membership. (14)

Lavrov further noted that Russia was committed fully to reaching the target of \$25 billion in trade for 2008 and explained that customs issues had arisen with a number of countries, forcing Russia to tighten controls across the board. (15)

When compared to the harsh language fired off towards the US and the European Union over Georgia, Russia's attitude towards Turkey is positively

soothing. Not only did Lavrov expound on trade between the two countries, he also praised the Turkish proposal for a Caucasus Alliance to discuss and solve regional conflicts, albeit noting that some “conditions” would have to be met before such a system could begin functioning. The proposed organization would include Georgia, Russia, Turkey, Armenia and Azerbaijan. (16)

The reason for Russia’s friendly tone is that Turkey has a “key position in transferring oil and natural gas” from Russia to the consumer markets: a ban on Russian shipping through the Bosphorus would damage Russia’s economy severely. (17) If the European Union carries through its threat to impose sanctions on Russia due to the Caucasus conflict, the tanker route through Turkish waters would assume central importance. In light of this fact, Moscow’s tone towards Turkey must be viewed as purely tactical in nature: the goal is to have a back-up export plan in place, in case of sanctions.

Source Notes:

(1) “FSB Detains Officer Suspected of Spying For Georgia,” ITAR-TASS, 20 Aug 08; OSC Transcribed Text via World News Connection.

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(3) “Kommersant.com headline: FSB Unmasked Georgian Spy in Russia’s Army-Kommersant Moscow,” 20 Aug 08; OSC Transcribed Text via World News Connection.

(4) Ibid.

(5) “Georgia Steps Up Reconnaissance, Sabotage in Russia-FSB Director,” ITAR-TASS News Agency, Moscow, in Russian, 28 Aug 08; BBC Monitoring via Lexis-Nexis.

(6) Ibid.

(7) “Russian Security Chief Warns of Possible Terror Attacks in S. Ossetia, Abkhazia,” Interfax News Agency, Moscow, in Russian, 4 Sept 08; BBC Monitoring via Lexis-Nexis.

- (8) "Russian FSB Officers Decorated For Taking Part in Georgia Operation-General," Interfax News Agency, 1 Sept 08; BBC Monitoring via Lexis-Nexis.
- (9) "Russian Weaponry Supplied To Syria Will Be Limited To Defensive Weapons-Lavrov," Interfax, 21 Aug 08; OSC Transcribed Text via World News Connection.
- (10) "Syria Eyes An Edge Amid Russia-US Rift," Christian Science Monitor, 28 Aug 08; BBC Monitoring via Lexis-Nexis.
- (11) "Russian Navy To Make More Use of Syrian Ports," The Irish Times, 28 Aug 08; Reuters via Lexis-Nexis.
- (12) "Turkey, Russia to Work on Simplified Customs to Overcome Trade Row, Report by Irem Koker: 'Turkey, Russia to work on simplified customs to overcome trade row,'" Hurriyet, 2 Sept 08; OSC Transcribed Text via World News Connection.
- (13) Ibid.
- (14) "Turkey's NATO Membership Does Not Impede Relations With Russia-Lavrov," Itar-Tass, 2 Sept 08; OSC Transcribed Text via World News Connection.
- (15) Ibid.
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Russian Federation: Energy Politics

By Creelea Henderson

Rattled pipelines: EU reconsiders its energy ties to Russia

As Russian tanks rolled across the border into Georgia early in August, European heads of state were faced with a terrible truth: The influence of the EU in Moscow has waned to such extent that it is incapable of halting a Russian rampage through the Caucasus. On September 1, French President Nicolas Sarkozy convened the Extraordinary European Council in Brussels to mull over the crisis and to coordinate a European response. The document that emerged from the meeting contains both a condemnation of Russia's recent acts of aggression and an indictment of failed EU policies that leave Europe in thrall to Russia. (1) The Council pledged to find alternative energy suppliers and to build independent supply lines in a broad effort to move Europe away from its current dependence on Russian oil and gas.

Untenable dependence

For years, analysts have been warning that dependence on Russian energy supplies is a politically untenable proposition. Last year, Russia supplied 38% of Europe's gas and 33% of its oil. (2) By the year 2030 those numbers are expected to double, as domestic sources dry up and Russia extends its supply lines deeper into the distribution networks of western Europe. (3) At present, there is no infrastructure in place to check this trend. Without a common energy policy, each country has to secure energy supplies through bilateral deals with Russia. (4) Negotiations for energy supply contracts effectively have split EU member countries into opposing camps—Gazprom's junior partners vs. end-use customers. (5) Because of its natural gas exports, Russia has gained a powerful point of leverage in its political relations with European consumer countries. Tied to Russia by a web of energy deals, but divided among themselves, EU countries have proven unable, or unwilling, to issue a unanimous challenge to Moscow. (6) That is why, alongside its resolution to put an end to "business as usual" in EU-Russian relations, the members of the Council committed their governments to work toward a united energy policy that will ensure Europe's energy security in the long term.

Calls for diversification

As an exceptional energy market not dominated by Russian supplies, the UK has a greater freedom to speak out against the policies of Moscow. At the Extraordinary European Council, Prime Minister Gordon Brown urged EU leaders to secure alternative sources of energy in the near future. “We must build relations with other oil and gas producers more quickly,” Brown said. (7) What European countries are seeking is a way to bring gas from Kazakhstan and Turkmenistan to Europe without relying upon Russia, which currently controls all pipelines linking Central Asia and the EU. For gas to flow west without Russian interference, the EU must have an independent pipeline running through Georgia.

Georgia is not a major energy player. But, the country that lacks significant petroleum reserves nevertheless has fashioned itself as an independent transit route for Central Asian oil and gas volumes, a friendly corridor set between Russia to the north and Iran to the south. Two Western-operated pipelines run across Georgia already. They give Georgia a crucial role to play in energy markets, but they also serve as a lightning rod for Russian aggression. Many analysts suspect that a key Russian motive for invading Georgia was to expose the region’s instability (by fostering instability) and to forestall any new pipeline developments there. (8)

In Georgia, Russian troops appeared in areas near oil and gas pipelines, far from the breakaway regions of Abkhazia and South Ossetia, where the ostensible conflict was centered. Russian jets fired over fifty missiles at an oil pipeline—but missed their target. (9) The message, though, did not miss its mark: Georgia is portrayed as too unstable to host fragile pipelines. In the midst of the ruckus, the Turkish portion of the pipeline was sabotaged by restive Kurds. In the weeks following the Georgian conflict, Iran’s concern for the fragile ecosystem of the Caspian Sea induced it to veto a Western bid to extend a pipeline carrying oil and gas from Kazakhstan and Turkmenistan across the seafloor to connect with

pipelines in Georgia. EU members, looking to the country as a route for increased volumes of Central Asian oil and gas flowing west, surely realize that their project for energy security will be more difficult than expected. If the project's financial backers should decide that the Georgian transit corridor is too fraught with risk and leave the field to Russia, then Moscow can declare its Georgian campaign a victory.

Considering the importance of Europe's energy markets to Moscow, talk in Brussels about finding alternative supply lines can be seen as a rebuke couched in terms that Moscow will appreciate. Or, the revival of alternative pipeline schemes may be rhetorical balm soothing the sting of recognition that future energy security in Europe depends upon keeping good relations with Russia resurgent. The words of Russian President Dmitri Medvedev are enough to send a chill through any would-be challenger: "[Russia] will use all the economic leverage and resources at its disposal, and specific advantages, for the protection of its national interests." (10) But Russia needs an outlet for its gas, and Moscow points out that it never cut energy supplies to paying customers, even in the darkest days of the Cold War. Europe can take some cold comfort in that.

Source Notes:

(1) Doc. 12594/08, Presidency Conclusions, Extraordinary European Council, Brussels. 1 Sep 08 via:

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(4) Gazprom is the largest or second-largest shareholder in the gas utilities of Estonia, Latvia, and Lithuania. Zeyno Baran, "EU Energy Security: Time to End

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Newly Independent States: Caucasus

By Robyn Angley

GEORGIA

Russian forces withdraw partially as opposition takes aim

Russian troops have withdrawn from several checkpoints around Poti and Senaki, in keeping with an 8 September commitment between Russian President

Dmitri Medvedev and French President Nicolas Sarkozy that Russia would pull out of those positions by September 15. However, Russian military forces remain stationed beyond the pre-conflict positions stipulated in the original Sarkozy agreement of mid-August. The more recent discussions yielded a commitment by Medvedev to remove Russian troops stationed beyond Abkhazia and South Ossetia within ten days of the deployment of EU observers to those regions. The 8 September negotiations call for EU monitors to be in place no later than 1 October. (1) The official document recording the 8 September agreements calls for EU observers to be stationed in zones adjacent to Abkhazia and South Ossetia, although Saakashvili has stated that a second-stage deployment would post EU monitors within the separatist regions themselves. (2)

NATO chief Jaap de Hoop Scheffer arrived in the Georgian capital on 15 September and signed an agreement with Prime Minister Lado Gurgenzidze establishing a NATO-Georgia Commission, designed to facilitate increased NATO contact with Tbilisi. While there, Scheffer criticized the Sarkozy agreements on the grounds that they permitted Russia to maintain troops in the separatist Georgian territories. (3) He also called on Georgia to push ahead with democratic reforms and be a “predictable, responsible partner,” even “when others are acting irresponsibly.” (4)

At the same time, Russian Foreign Minister Sergei Lavrov paid visits to Abkhazia and South Ossetia on 14 and 15 September. The stated purpose of Lavrov’s visit was to lay the groundwork for establishing embassies in the regions, which Russia unilaterally recognized as independent on 26 August. De facto Abkhaz president Sergei Bagapsh recently requested that Russian troops be stationed in Abkhazia, declaring that the old Russian bases in Gudauta and Ochamchire would be used to house the troops. (5)

International talks on Abkhazia and South Ossetia are scheduled to take place in Geneva on 15 October. The agenda envisaged by the Sarkozy agreement

includes regional security and stability, as well as the return of refugees. Russian Foreign Minister Lavrov has called for the inclusion of South Ossetian and Abkhaz representatives in the discussions. (6) In the meantime, the West, represented by the United States and the European Union, has presented aid packages to back up its rhetoric in support of Georgia's sovereignty, with Washington and Brussels proposing \$1 billion and €500 million, respectively. (7)

Russian officials continue to claim that the fighting began with a Georgian offensive upon the South Ossetian main city of Tskhinvali and surrounding towns, while Georgian President Mikheil Saakashvili has presented evidence demonstrating that Russian troops moved into Georgian territory early on the morning of 7 August, hours before the Georgian offensive began. (8)

Although domestic support for Saakashvili is strong in the face of this national threat, Georgia's opposition politicians are renewing their offensive on the president. Saakashvili appears to have anticipated the move and has introduced several initiatives aimed at drawing opposition support.

The leaders of two different political parties have called (separately) for Saakashvili's resignation. Shalva Natelashvili, the colorful leader of Georgia's Labor Party, demanded Saakashvili's resignation at a press conference on 8 September. (9) This was followed the next day by similar demands from David Gamkrelidze, head of the New Rights Party, who called for new elections. (10) Former Defense Minister Irakli Okruashvili (now living in France) has seconded the calls for Saakashvili's resignation and stated his intention to return to Georgia "within a year." (11)

Criticism of Saakashvili from Georgia's disparate opposition is nothing new, although the political grandstanding has increased in response to the events of last month. It is, on the other hand, the statements of Saakashvili's erstwhile comrade-in-arms, former Speaker of the Parliament and Rose Revolutionary

Nino Burdjanadze, that portend stormy weather on Saakashvili's domestic political horizon. Burdjanadze announced a mere ten days after the outbreak of hostilities that Saakashvili would have to face "tough questions" and that she, although having chosen not to participate in May's parliamentary elections, would play an "active political role." (12) She followed up her statements early in September by calling for an investigation into the origins of the war and whether it was avoidable. (13) The former speaker, despite an active political career under both President Saakashvili and former President Eduard Shevardnadze, has survived the Georgian political stage with much of her credibility intact. In the last year, she often has taken the role of mediator between the "united" opposition and President Saakashvili.

Prior to the calls for his resignation, Saakashvili's administration had made attempts to placate the opposition. On 29 August, the president proposed the formation of an anti-crisis group, composed of government representatives, members of the opposition and civil society participants. (14) The purpose of the group would be to monitor the distribution of foreign aid to Georgians affected by the fighting.

The authorities followed up the anti-crisis group initiative by inviting political parties to sign a document entitled the "Charter of Politicians of Georgia." The charter committed its signatories to the following four principles: 1) The territorial integrity of Georgia, 2) NATO membership and integration into the European Union, 3) adherence to the Constitution and national security interests, and 4) the formation of the anti-crisis council. (15) The document was signed by the ruling party and several others, but was dismissed as propaganda by the Labor and Republican parties.

In response to the opposition's objections, Saakashvili has offered to increase the powers of the anti-crisis group. "I am ready to delegate some of the executive government's powers to this Council, including the right to sign [documents]; it

can send representatives to various ministries,” Saakashvili said on 10 September. (16) Additionally, in his State of the Nation address on 16 September, the president reiterated his willingness to work with the opposition and announced new reforms aimed at expanding private property rights, strengthening of an independent judiciary, and curtailing the president’s right to dissolve parliament. (17) The proposals mentioned in the speech certainly would be a leap in the right direction for Georgia’s democratic transition; however, the address was noticeably meager on details about how the state would achieve those goals.

Although the most vocal opposition groups are unlikely to respond favorably to Saakashvili’s overtures, neither are they likely to pose a significant threat to the president in the current crisis environment. However, should Burdjanadze choose to push the issue, Saakashvili’s position could become less secure, if the threat to national security were viewed as deescalating.

Source Notes:

(1) “Russia Removes Five Posts on Poti-Senaki Line,” 13 Sep 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19492>.

(2) “Controversy over EU Monitors Deployment Area,” 10 Sep 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19460>.

(3) “NATO chief in Georgia to show support after war,” 15 Sep 08, Reuters Canada via <http://ca.reuters.com/article/topNews/idCALE40412520080915>.

(4) “‘Meet Democratic Standards Fully’ – Scheffer to Georgia,” 16 Sep 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19520>.

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- (14) "Saakashvili Proposes Anti-Crisis Group to Opposition," 30 Aug 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19353&search=anti-crisis>.
- (15) "Charter of Politicians of Georgia," 5 Sep 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19410&search=anti-crisis>.
- (16) "Saakashvili Says Ready to Increase Anti-Crisis Council Powers," 10 Sep 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19463&search=anti-crisis>.
- (17) "Saakashvili Speaks of 'New Wave' of Democratic Reforms," 16 Sep 08, Civil Georgia via <http://www.civil.ge/eng/article.php?id=19526>.

Newly Independent States: Central Asia

By Monika Shepherd

Central Asia's response to Georgian situation leaves Russia wanting more. Roughly three weeks after Russia's invasion of Georgia, the Central Asian governments finally formulated their first official response to the situation, under

the auspices of the Shanghai Cooperation Organization's (SCO) annual summit in Dushanbe, Tajikistan on 28 August. Despite many predictions to the contrary, the six SCO member states did not condone Russia's attack on Georgia in their joint declaration, but instead condemned the use of force in resolving regional conflicts and emphasized the importance of international diplomacy and cooperation in settling disputes, as well as stressing the need to respect all countries' territorial integrity. The declaration made no attempt to assign blame for the conflagration; in fact, other than endorsing Russia's role as "peacemaker" in the Caucasus, the SCO's view on the situation in Georgia was remarkably neutral: "The SCO member states express their deep concern in connection with the recent tension over the South Ossetian issue, and urge the relevant parties to resolve the existing problems peacefully through dialogue and to make efforts to reconcile [with one another] and facilitate negotiations. The SCO member states welcome the approval on 12 August 2008 in Moscow of six principles of settling the conflict in South Ossetia and support the active role of Russia in promoting the peace and cooperation in this region." (1)

The statement made frequent mention of the UN's pivotal role in finding peaceful solutions to international crises, as well as repeatedly referring to the need for the SCO's member states to strengthen their cooperation in the fight against the three-headed monster of "terrorism, separatism and extremism," (2) undoubtedly a reference to the three Ferghana Valley states' struggles with both armed incursions and protest demonstrations by domestic opposition groups, as well as China's troubles in Tibet and Xingjian. The potential for territorial disputes and separatist movements also exists in all of the Central Asian states: Kazakhstan possesses a sizeable Russian minority, Uzbekistan is home to a large Tajik minority (and the question of whether Bukhara and Samarqand should rightfully belong to Tajikistan still simmers), Tajikistan's Uzbek minority makes up 20-25% of the republic's total population, and Kyrgyzstan and Turkmenistan are also home to many Uzbeks (13.9% and 5%, respectively). (3) Kyrgyzstan's and Tajikistan's portions of the Ferghana Valley, which possesses some of the most

arable, and therefore most desirable land in the region, are heavily populated by Uzbeks. In the Sughd (formerly Leninobod) and Osh Provinces, which are the most developed and prosperous areas of Tajikistan and Kyrgyzstan, Uzbeks also outnumber the titular populations. To complicate matters even further, Kyrgyzstan possesses small enclaves of Uzbek and Tajik territory within its own borders. Thus, justifying, much less condoning, foreign military intervention on behalf of an ethnic minority would place the other five SCO states in a very precarious position, possibly even sparking new inter-ethnic conflicts. The Russian government still is able to wield a great deal of influence over the Central Asian states, particularly in Kyrgyzstan and Tajikistan, but Russia's power pales alongside the specter of further inter-ethnic turmoil and civil strife in these countries, most of which already have endured more than their share of violent unrest.

Furthermore, although Central Asia's ties to Russia are still strong, all five states have been cultivating their relationships with China, whose investments in the Central Asian market continue to grow. Following a meeting with Kazakhstan's President Nursultan Nazarbaev on the eve of the Olympic Games in Beijing, Chinese president Hu Jintao conferred with his Kyrgyz and Tajik counterparts on the sidelines of the SCO summit and then traveled to Turkmenistan for a rendezvous with President Gurbanguly Berdimuhammedow. Only the talks with Turkmenistan's president seemed to produce any concrete results, leading to another increase in the capacity of the Turkmenistan-China natural gas pipeline, from 30 billion cubic meters to a planned total of 40 billion. (4) However, although Hu Jintao's meeting with Tajik President Emomali Rahmon may not have led to any significant new Chinese investments, it did produce a 17-point "Joint Declaration" emphasizing the need for greater cooperation between the two countries on such issues as the illegal narcotics trade, terrorism, the demarcation of the Tajik-Chinese border, strengthening of bilateral trade, as well as the Tajik government's full support for the "one China policy." (5) Chinese investment in Tajikistan's industry and infrastructure would no doubt be received

with open arms, and it is undoubtedly safe to say that the same is true of Kyrgyzstan.

The Central Asian states were given an opportunity to revise their view on Russia's actions against Georgia one week later, at the Collective Security Treaty Organization (CSTO) meeting in Moscow, on 5 September. (6) The CSTO, which is comprised solely of former Soviet republics, traditionally has been an arena where the Russian government could present its positions unchallenged by any of the other members. However, although the CSTO's declaration did diverge from the SCO's statement by chastising both the Georgian government and NATO for creating the tensions which led to the conflict, the declaration's language is fairly mild: "The CSTO member states call on NATO's nations to weigh up all possible consequences of the alliance's eastward expansion and the deployment of new missile defence facilities near the borders of member states. The member states of the CSTO are deeply worried by the attempt undertaken by Georgia at resolving the conflict in South Ossetia by force, which resulted in numerous victims among the civilian population and peacekeepers and also brought with it serious humanitarian consequences." Support for Russia as regional peacemaker and guarantor of South Ossetian and Abkhazian security also was expressed. However, later in the statement, the CSTO members stress that "frozen conflicts" should be resolved only via peaceful, diplomatic means. The declaration also recommends working together with NATO to stem the flow of terrorism and illegal narcotics from Afghanistan and to promote increased stability there. (7)

Thus, even within the parameters of an organization, which has been firmly under Russia's thumb since its inception, Central Asia's leaders were not willing to give public support to a policy of unilateral armed intervention against the territory of a sovereign state. Instead, both the texts of the CSTO and SCO declarations continually emphasized the role of the UN and international cooperation in resolving regional and inter-state conflicts. Concern over the

situation in Afghanistan also appeared to loom large on the member states' minds. As of today, Afghanistan seems to be becoming ever less stable and more lawless, and should that trend continue, it could have a very negative impact on the Central Asian countries, who already struggle with the violent effects of the opium and illegal weapons trade. In the past, Afghanistan's territory also has been the launching point for armed incursions into Central Asia by such groups as the Islamic Movement of Uzbekistan (IMU).

Russia's invasion of Georgia undoubtedly produced shockwaves throughout all of the Central Asian leaderships, but rather than drawing them more closely into Russia's economic and foreign policy orbit, out of fear for what the alternative might be, Russia's actions appear to be pushing the Central Asian states further away. China could well turn out to be the primary beneficiary of this outcome, as a government which is ready and willing to commit further investments to the region and which so far seems to offer a more reliable and stable partnership than what Russia's leaders bring to the table.

Source Notes:

(1) "Text of joint declaration adopted at Shanghai bloc summit in Tajikistan," 28 Aug 08, Tajik president's website; BBC Worldwide Monitoring via Lexis-Nexis Academic.

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Newly Independent States: Western Region

By Tammy Lynch

UKRAINE

Goodbye to Orange

Ukraine's sputtering "orange coalition" finally died for what is likely forever, this week. No one is surprised. It has been a slow, painful death.

The sarcasm employed by Parliamentary Speaker Arseniy Yatsenyuk when announcing that the majority coalition officially had collapsed is indicative of the general mood of politicians and voters alike. "I officially announce the dissolution of the coalition of democratic forces in the Verkhovna Rada ... Anybody want to observe a moment of silence? Okay then, let's skip that part." (1)

The majority coalition was created on 29 November 2007 between Prime Minister Yulia Tymoshenko's eponymous bloc (BYuT) and the pro-presidential Our Ukraine-People's Self-Defense bloc (OU-PSD). Even at that time, many predicted a quick death for the grouping, based on the inherent tensions in the relationship between Tymoshenko and President Viktor Yushchenko. The two have been erstwhile allies since Tymoshenko served as deputy prime minister in his cabinet in 2000. Although they united to lead the Orange Revolution in

November-December 2004, they later found themselves unable to work together effectively.

The President dismissed Tymoshenko from her first stint as prime minister in September 2005 after only nine months in office, when the two could not agree on basic policies or the proper distribution of duties between them. She returned to office in 2007 after snap parliamentary election results showed that her party had far outpaced OU-PSD, winning 32 percent of the vote compared to OU-PSD's 14 percent. Even so, Yushchenko resisted forming a coalition with Tymoshenko for almost two months, as he flirted with his former presidential opponent, Viktor Yanukovych. Public pressure finally forced him to accede to the Tymoshenko appointment and form a coalition with her bloc. This reconstituted "orange coalition" provided a slim two vote majority over a left-leaning opposition coalition including Yanukovych's eastern-based Party of Regions and the Communist Party.

From day one, the coalition barely was effective. Its only successes were pension and wage increases—which were not opposed by any party—and the passage of a series of regulatory procedures allowing the country to join the WTO. A major campaign promise to remove parliamentary immunity failed when a portion of OU-PSD refused to support it. Attempts to eliminate off-shore tax havens fell to defeat for the same reason. A major privatization initiative died when it was vetoed by the President. Investigations of major crimes, such as the murder of journalist Georgiy Gongadze in 2000, went nowhere under a Prosecutor-General tied to Ukraine's former corrupt pre-Orange Revolution regime. Attempts by BYuT to replace the prosecutor failed, as did the bloc's attempt to replace the disgraced Socialist head of the State Property Fund. Yushchenko and Tymoshenko may have had a coalition, but they never had unity.

Parliamentarians now have 30 days to form a new majority. If they cannot, Yushchenko has the right—but not the duty—to dissolve parliament and call snap elections. They would be the third parliamentary elections in three years, and the sixth round of voting for president or parliament since October of 2004.

Logic would suggest that Yushchenko should avoid an election. In all polls—and there are new surveys released almost every day—his bloc trails badly in third place. As things stand today, if his bloc runs as it is, it would receive between three and eight percent of the vote. In contrast, BYuT would receive 21 to 25 percent. This would be a horrible embarrassment for Yushchenko.

Then, why did Yushchenko order his parliamentary bloc to pull out of the coalition? The president may be depending on Tymoshenko's aversion to participating in yet another election. An election would lead to new coalition negotiations and a new confirmation for prime minister. Given Yushchenko's past attempts to stop Tymoshenko from becoming prime minister and his willingness to work instead with Viktor Yanukovych, the fight to retain her position is likely to be brutal. Meanwhile, the campaign would be expensive, draining resources less than two years before the presidential election. Although Tymoshenko's bloc is well-funded, it is far less well-funded than the Party of Regions and OU-PSD.

In order to avoid this, Yushchenko may hope that Tymoshenko forms a new coalition with Yanukovych. Were she to do this, BYuT would lose some portion of its support in western areas of the country, where Yanukovych is despised as a relic of the pre-Orange era. Yushchenko may be the beneficiary of these lost Tymoshenko votes. As the president attempts to rebuild his support in advance of the 2010 presidential election, he may see it as essential that Tymoshenko's support in western Ukraine be undermined.

But the question is – how much support would she really lose in western regions? Tymoshenko has shown herself adept at explaining her actions and couching decisions in terms acceptable to voters. Furthermore, over the last four years, she has built up substantial credibility with the public as the politician working most consistently toward “orange” ideals. It is this credibility that has led to her bloc’s increase of support from seven percent in 2002 to 32 percent in 2008. These things may mediate her losses, as would expected increases in support in eastern areas.

Still, Tymoshenko once suggested that she would unite with Yanukovych only if “aliens take me on their flying saucer, carry out illegal experiments on me, and wipe out my memory and mind.” Upon hearing of a potential Tymoshenko-Yanukovych alliance, the UNIAN News Agency announced that Tymoshenko apparently had visited with the aliens. (2) Such a reversal in policy is bound to have implications with the electorate.

However, a coalition between Tymoshenko and Yanukovych might actually be the worst scenario for the president, despite his apparent desire for it. This coalition would provide 331 seats – well above a constitutional majority. Theoretically, they could do whatever they wanted to the constitution, including eliminating the presidency altogether. Both Tymoshenko and Yankovych have had very difficult relations with Yushchenko and it is hard to believe that they wouldn’t take the opportunity to undermine him.

By withdrawing from the “orange coalition,” Yushchenko then has left himself with several equally bad possibilities: (a) losing a parliamentary election, (b) facing Tymoshenko as a radical opposition leader, or (c) dealing with a constitutional majority prepared to undermine his powers completely.

The president now says that Tymoshenko and Yanukovych already had joined together in parliament to reduce his power by removing his unilateral ability to

dismiss the prosecutor general, and by detailing presidential impeachment procedures. However, in the grand scheme, these legal changes are minimal. In fact, Tymoshenko supported the Law on the Cabinet of Ministers earlier this year that turned over many of her duties to the president. Furthermore, the president has the right to challenge these changes in the Constitutional Court.

Given the potential difficulties these two powerful forces could create should they chose to do so, it is in the president's interest to negotiate and attempt to find accommodation with his prime minister. Instead, he has attacked her both rhetorically and legally.

On 18 September, Tymoshenko reported to the Prosecutor-General's office for the second time, ostensibly to answer questions about Yushchenko's poisoning. Few believe she knows anything about this unsolved and entirely politicized case. Her first interrogation lasted over five hours. This tactic smacks of persecution of a rival and desperation in the face of falling support. The prosecutor also recently has tried to question a former Yushchenko ally who is now criticizing him, as well as the Interior Minister, who now supports Tymoshenko.

As all of this occurs, Yushchenko's Our Ukraine-People's Self Defense bloc has fractured over his actions. PSD now allies most closely with the Bloc of Yulia Tymoshenko and has difficult relations with the majority of Yushchenko's representatives.

Yushchenko closest allies also announced a new "party" within the OU-PSD bloc. This party undermines Yushchenko's "indignation" at Tymoshenko for supposedly allying with the Party of Regions. The new "United Center" favors close ties to the oligarchs within the Party of Regions and likely will support a new "political project" financed by these oligarchs. It is probable that Speaker

Yatsenyuk and Raisa Bohateryova (Yushchenko's National Security Council Secretary and a former Party of Regions member) will join this endeavor.

Experts suggest that, should no coalition be formed, an election will be held on 21 December. Speaking on BBC's Hardtalk, Vice Prime Minister Hryhoriy Nemyria suggested that this would be "the worst case scenario" for the country and called again for Yushchenko's allies to return to the coalition. Few believe they will.

Source Notes:

(1) "Yatsenyuk officially buried the coalition," Ukrayinska Pravda, 1020 CET, 16 Sep 08.

(2) UNIAN News Agency, 1343 GMT, 5 Sep 08.

(3) BBC Hardtalk, 17 Sep 08 via

<http://news.bbc.co.uk/2/hi/programmes/hardtalk/7620824.stm>.

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